



# **Potential Flats Sequencing System (FSS) Pricing Structure Discussion**

July 18, 2013

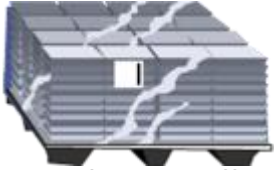
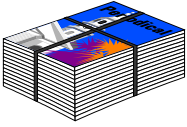

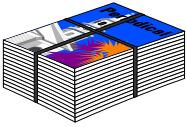

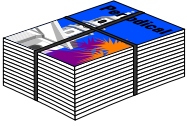


- ❑ Flats Sequencing System (FSS) Optional prep introduced January 2, 2011
  - DMM section 705.14.0

## **Benefits – then and today:**

- ❑ Produce larger, more uniform bundles – using less straps & polywrap
- ❑ FSS scheme bundles align with FSS sorting programs
- ❑ FSS scheme pallets flow directly to the FSS mail prep (SAMP)
- ❑ FSS scheme pallets bypass bundle distribution – improving cycle time and reduces potential for bundle breakage and added handlings
- ❑ FSS facility pallets enable managing batting order of FSS zones queued for bundle distribution, maximizing the number of flats available for FSS sorting
- ❑ End-to-End visibility – leverages use of data
- ❑ Creates lowest-combined-cost system

# FSS Mail Prep Matrix

<i>Pallet Description</i>	<i>Bundle Make-up</i>	<i>Mail Flow (1<sup>st</sup> handling)</i>
 <p><b>FSS Scheme Pallet</b> <i>All bundles on pallet for same FSS sort program</i></p>	 <p>Bundles prepared for a single FSS sort program</p>	<p><b>Stand Alone Mail Prep (SAMP)</b></p> <p>Bypasses all bundle distribution</p>
 <p><b>FSS Facility Pallet</b> <i>Pallet contains bundles for any or all FSS sort programs processed in FSS site</i></p>	 <p>Bundles prepared for a single FSS sort program</p>	<p><b>APPS / APBS</b></p> <p>Enables managing batting order of FSS zones and queue for bundle distribution</p>
 <p><b>Other Presort Pallets or Sacks</b> <i>May contain FSS scheme bundles along with other presorted bundles</i></p>	 <p>Automation compatible bundles CR-RT, 5-D, FSS scheme and SCF</p>	<p><b>APPS / APBS</b></p>



# Potential FSS Pricing – For Discussion Only

- ❑ Encourage entry at FSS facility
  - Establish DFSS (FSS facility) entry rate structure
  - No pallet charge for scheme pallets at DFSS
- ❑ Allow Periodicals, Standard Mail, and BPM bundles on same pallets (at Standard Mail service standards)
- ❑ Prices unchanged with less sortation and prep required
  - Mail continues to pay same 5D or CR price that it qualifies for today
    - If we introduce a single FSS piece price, CR mail would pay more than it does today
- ❑ FSS bundle and container prep required in FSS zones
  - FSS scheme bundle allowed at any container presort level – e.g. MADDC, ADC, 3D, SCF, FSS
  - FSS scheme bundle allowed entry at Origin, DNDC, DADC, DSCF, DFSS
  - No minimum for FSS scheme bundles, when drop shipped at DFSS
  - Only HD, HD Plus and Saturation entered at DDUs



# Additional Clarification

## At this time...

- ❑ Enables drop shipment of FSS scheme containers directly to FSS facility
  - Critical Entry Time 11:00 AM
- ❑ FSS facility pallet remains optional
- ❑ Pallet minimums same as with existing operational FSS prep
- ❑ Propose In-county Periodicals – remain unchanged
  - Outside county (for FSS zones) up to 5,000 pieces – unchanged
- ❑ FIRM bundle prep and price requirements – unchanged
- ❑ Service Standards unchanged (unless mixed class comail)



# Thank You for Your Business...

